

**TESTIMONY OF  
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NATURAL RESOURCES AND ENVIRONMENT  
UNITED STATES DEPARTMENT OF AGRICULTURE**

**BEFORE THE  
  
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS  
COMMITTEE ON ENERGY AND NATURAL RESOURCES  
UNITED STATES SENATE**

**March 1, 2007**

**CONCERNING**

**S. 380 - A Bill to Reauthorize P.L. 106-393, the Secure Rural Schools  
and Community Self-Determination Act of 2000**

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to provide the Department's views on S. 380, a bill to Reauthorize the Secure Rural Schools and Community Self-Determination Act (SRS Act).

S. 380 would reauthorize payments under the SRS Act (P.L. 106-393) for an additional seven years, beginning with the payment for fiscal year 2007, and would amend other provisions of the Act. The bill would provide a one-time opportunity for a county to resume receiving the 25 percent payment or 50 percent payment if they wish to do so. The bill would clarify that States must notify the Secretary of Treasury of a county's election.

Additionally, S. 380 would add a provision regarding the source of funding for payments and require that certain funds be reserved to make payments to the states. The bill would provide for reappointments of Resource Advisory Committee (RACs) members for more than one term to provide greater flexibility in staffing committees. S. 380 also would revise the merchantable material pilot program to authorize projects under this program if they are recommended by a RAC. Finally the bill would add notification and reporting requirements for the Secretary regarding county projects under Title III.

The Administration continues to support a one-year extension of the SRS Act for FY 2007 as an interim step, so long as there are agreed-upon full offsets. The Administration could support S. 380 with agreed upon offsets for the payments authorized by the bill, an eventual phase out of payments and if the bill is amended to incorporate other changes.

To assist in offsetting the cost of reauthorizing the SRS, the Administration is proposing the National Forest Land Conveyance for Rural Communities Act. This proposal supports the President's FY 2008 Budget by authorizing the Secretary to sell certain identified National Forest System lands in an amount not to exceed \$800 million. Under the proposal, half of the land sales proceeds will be available to make payments under a reauthorized SRS Act for FY 2008-2011, and half will be available in the States in which they were collected for the acquisition of lands or interests in land for National Forest purposes, improvement of fish and wildlife habitat, restoration of National Forest System land, and conservation education. States would benefit from four additional years of payments (FY's 2008-2011), and would also benefit from the addition of more ecologically important land to the National Forest System.

Our proposal provides up to \$400 million dollars over a four year period to be made available for acquiring lands and interests in land for National Forest purposes from receipts obtained from selling National Forest System lands that are identified for conveyance. Implementing our proposal will result in acquiring lands that are better suited for National Forest purposes and additionally, could result in a net increase in acres of land under federal ownership. For instance, the ratio of lands acquired versus conveyed under our ongoing land exchange program for the past ten years has been a two and a half to one ratio. The net increase is because the lands conveyed are more economically valuable than the lands acquired which are more ecologically valuable. Additionally purchase and sale of tracts is an inherently more efficient means of adjusting ownership than exchange, because it does not require a one-to-one correlation in federal government and private landowner objectives over two specific tracts. Our proposed legislation will be transmitted to Congress in the very near future for your consideration.

The Administration would like to work with the subcommittee on additional amendments to S. 380 that will improve the legislation. For example, we recommend that sections 2 (c)(1)(C) and 2(c)(2)(C) of the bill be deleted as the Department believes these sections are not needed. We are also concerned about the inclusion of the notification and reporting requirements regarding county projects under Title III in section 2(f) of the bill. This provision requires the Secretary to monitor and report on the use of these funds by local units of government which would require detailed reporting that many local governments might find onerous. We would like to work with the committee on alternative methods for insuring accountability for Title III funds. For example, it may be appropriate to require RAC review and approval of expenditures of any funds under Title III. The Department of the Treasury advises that the bill would improperly assign certain duties to the Secretary of the Treasury that would be more properly assigned to the Departments of Agriculture and the Interior. We would like to work with the Committee on these and other technical and substantive amendments.

The SRS Act provided transitional assistance to rural counties affected by the decline in revenue from timber harvests on federal lands. Traditionally, these counties relied on a share of receipts from National Forest System lands to supplement local funding for schools and roads. Payments made under the SRS Act have been used to support more than 4,400 rural schools and to help maintain county road systems.

In addition, the SRS Act provided for the establishment of RACs. RACs have increased the level of interaction between the Forest Service, local governments, and citizens, resulting in greater support and understanding of the agency's mission. A total of 55 RACs in 13 States have proposed more than 4,500 resource projects on National Forests and adjacent non-federal lands under Title II. Funds allocated under the SRS Act for Title II projects (\$185 million) have been leveraged by more than \$192 million in funds from other non-federal sources.

The last payment authorized by the SRS Act was for fiscal year 2006 and was made in December of 2006. Additionally, the authority for RACs to meet and propose projects expired on September 30, 2006. These committees have improved relationships by: broadening their connections, increasing access to resources and information, building trust, and providing active discourse on public policy issues. We need the support and assistance of these RACs in completing Title II projects that are in progress.

I am pleased to announce today that we will be extending the role of these committees for an additional year by amending the existing charters to allow them to be authorized as discretionary committees under the Federal Advisory Committee Act. This will enable them to continue to meet in order to monitor and track the implementation of approved projects as well as to make recommendations regarding changes or adjustments that may be necessary to the projects they are monitoring.

This concludes my statement, I would be happy to answer any questions that you may have.